

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY API 30-039-21223

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 CONTINENTAL OIL COMPANY

3. ADDRESS OF OPERATOR
 Box 460, Hobbs, N.M. 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 1190' FSL & 800' FEL of SEC. 4
 At proposed prod. zone
 SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6894' GR.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 3/8"	24#	500'	360 SK. - CIRC.
7 7/8"	5 1/2"	14 & 15.5#	5900'	600 SK.

IT IS PROPOSED TO DRILL A STRAIGHT HOLE TO A T.D. OF 5900' & COMPLETE AS AN INFILL MESA VERDE GAS WELL.

MUD PROGRAM: 0-500', FRESH WATER;
 500'-5900', FRESH WATER GEL, 8.5-8.8#
 SEE ATTACHED FOR B.O.P. PROGRAM.

ACREAGE IS DEDICATED TO A GAS PURCHASER

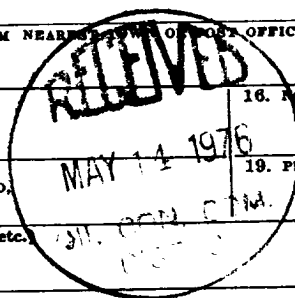
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Wm. A. [Signature] APPROVAL DATE 5-19-76
 ADMIN. SUPERV.

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

5. LEASE DESIGNATION AND SERIAL NO.
 CONTRACT NO. 151
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 JICARILLA APACHE
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 AXI APACHE "K"
 9. WELL NO.
 2-A
 10. FIELD AND POOL, OR WILDCAT
 BLANCO MESA VERDE
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 P-SEC. 4, T-26N, R-SW
 12. COUNTY OR PARISH
 RR ARRIBA N.M.
 13. STATE



*See Instructions On Reverse Side

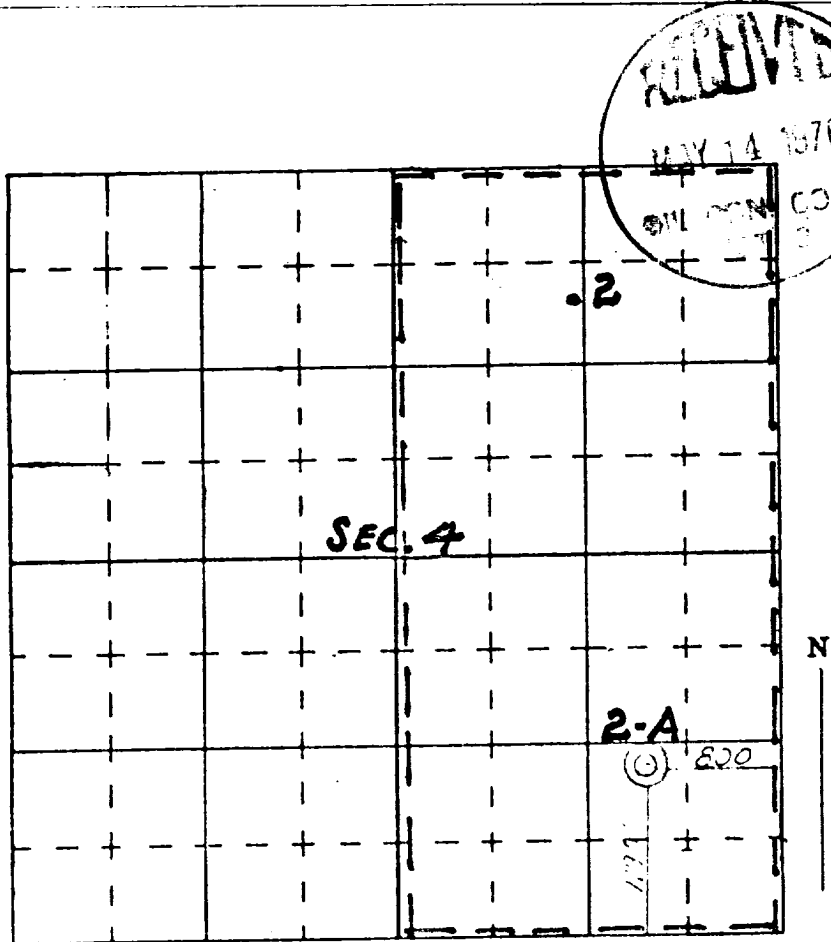
USE NUMBER (C) FROM FAXON SRH, FILE

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator CONTINENTAL OIL COMPANY	Lease LAXI APACHE K	Well No. 2-A
Unit Letter P	Section 4	Township 26 NORTH
Range 5 WEST	County RIO ARRIBA	
Acres: Forage Location of Well: 1190 feet from the SOUTH end 800 feet from the EAST line Ground Level Elev. 6894 MESA VERDE BLANCO MESA VERDE 200 319.79 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation
 If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

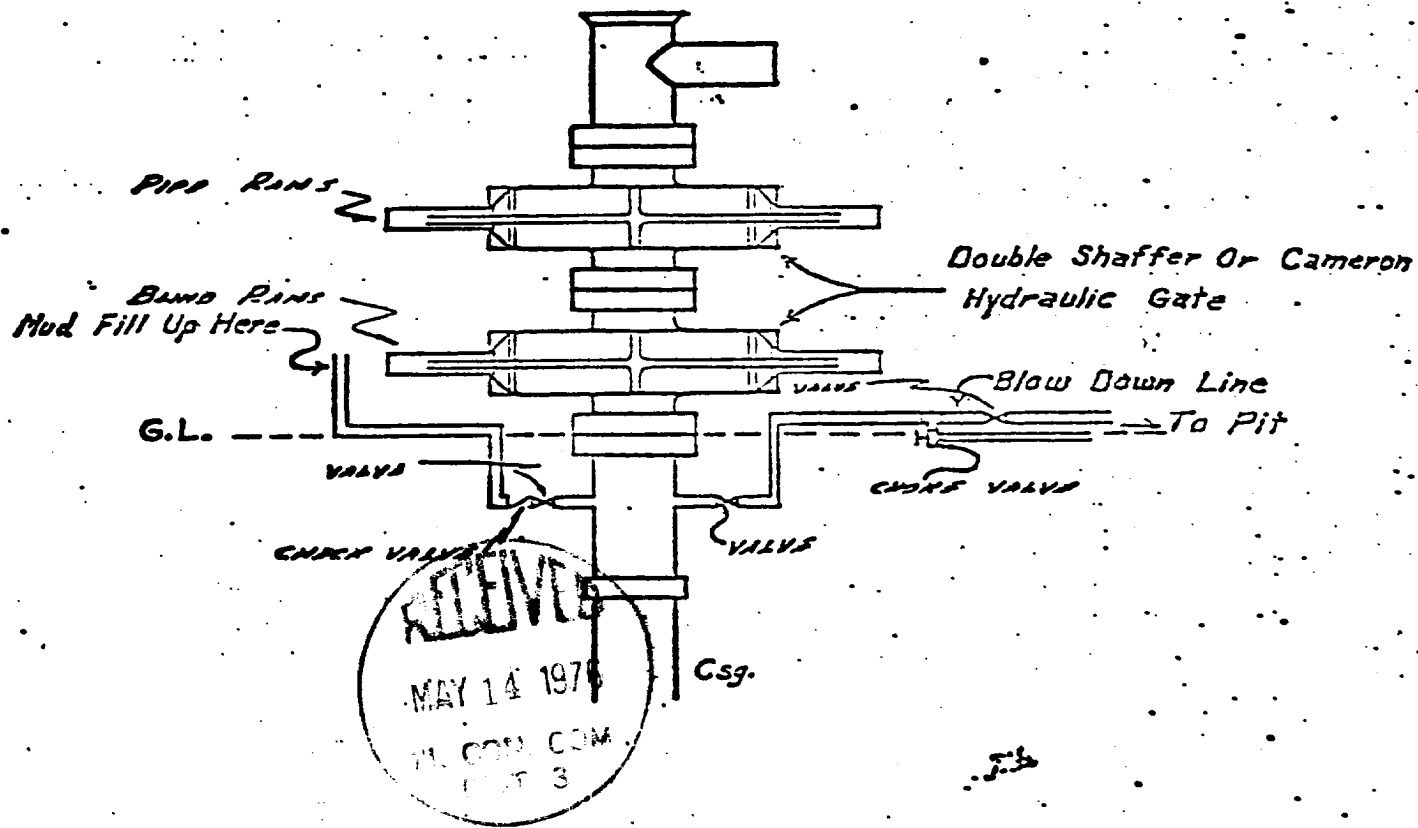
Name Wm. A. Butterfield
 Position ADMIN. SUPERVISOR
 Company CONTINENTAL OIL CO.
 Date 5-10-76



I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 30 April, 1976
James P. Loese
 Registered Professional Engineer
 and/or Land Surveyor
James P. Loese
1463
 Certificate No. _____

CONTINENTAL OIL COMPANY
 Blow-out Preventer Specifications
 AXI APACHE K-2A



NOTE:

Manual and hydraulic controls with closing unit no less than 75' from wall head.

Development Plan For Surface Use

AXI APACHE K-2A

1. Existing roads including location of the exit from the main highway

See Attached Map

2. Planned access roads

See Below and Attached Map

- (a) Length and width of new road

12' X 1900'

- (b) Roads may be altered at the discretion of the Jicarilla Apache Tribe and will be constructed and maintained

according to their specifications.

3. Location of existing wells

See Attached Map

4. Lateral roads to well location

See Attached Map

5. Location of tank batteries and flowlines - *Gas purchaser will lay lines.*

See Attached Map

6. Location and type of water supply

Water will be hauled to location from TAPACITO WASH.
() See attached map for location of proposed water lines.

7. Methods for handling waste disposal

All litter and scrap material will be disposed of by burying in a trash pit with a minimum cover of 24 inches of dirt.

8. and 9. Location of camps and airstrips

There are no camps or airstrips contemplated to serve this lease.

10. Location of layout to include position of the rig, mud tanks, reserve pits, burn pits, pipe racks, etc.

See Below and Attached plat

- (a) Size of drilling pad (b) Drilling pad Compacted

160' X 200'

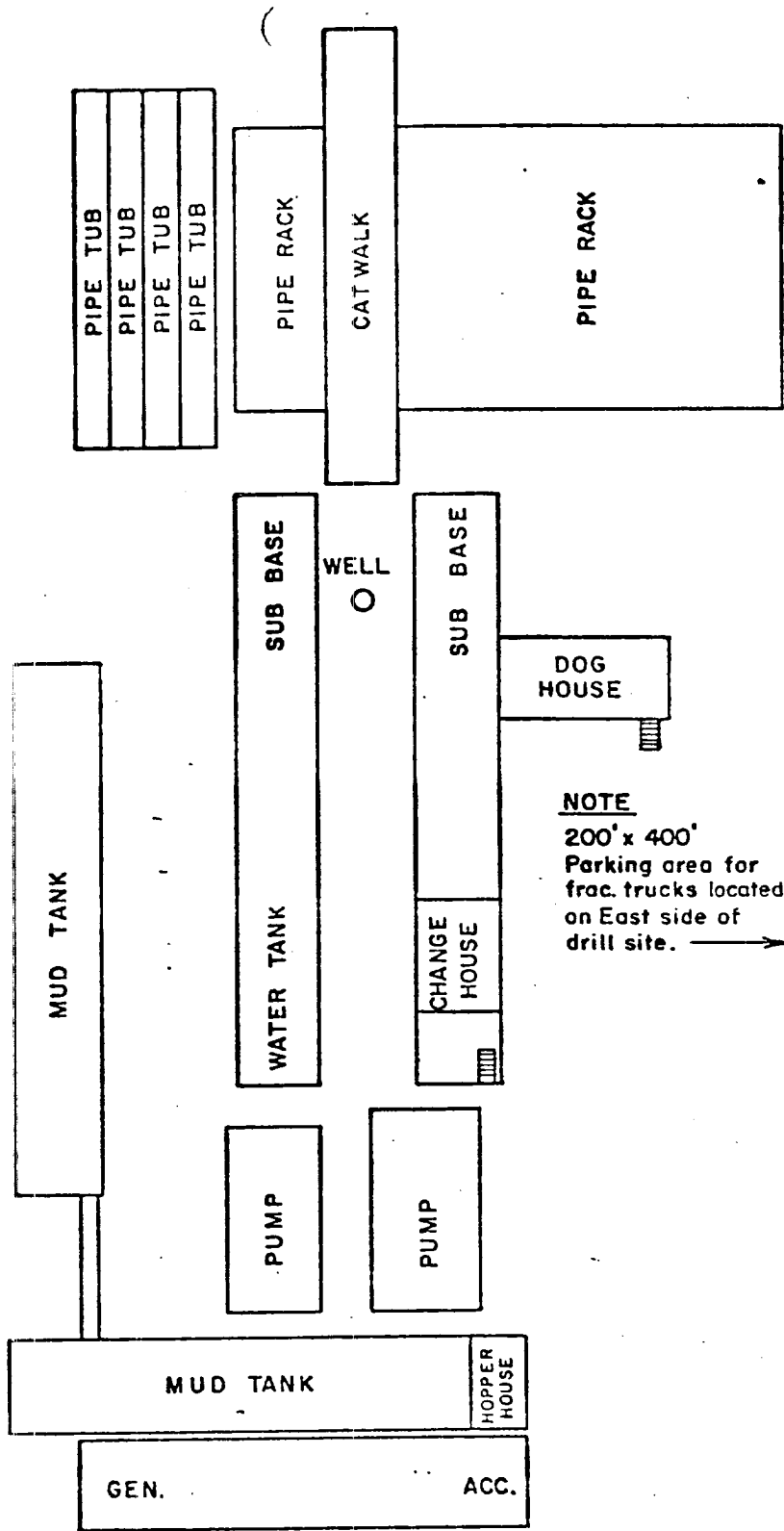
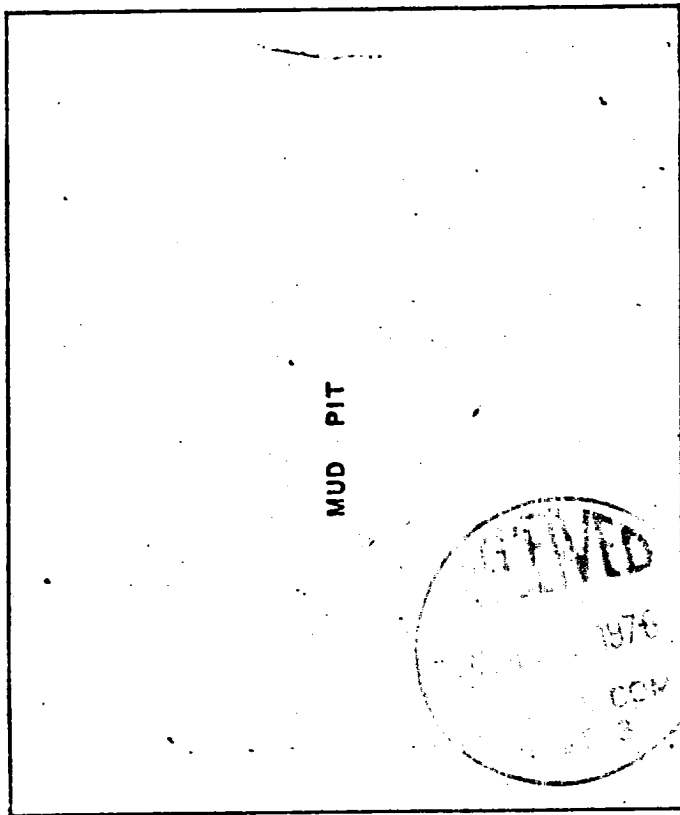
11. Plans for restoration of the surface

Surface will be levelled and properly conditioned as required by USGS after consulting with proper surface managing agency.

12. Other information that may be used in evaluating the impact on environment


Necessary precautions will be taken to prevent pollution of ponds, streams or other major water sheds which may be located in this area, and also to protect all vegetation.





APPROX. RIG SITE DIMENSIONS
160' x 200'

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 Casper, Wyoming



RIG LAYOUT

AXI APACHE K-2A

Engineer: T. F. Barnes Draftsman: B.S. Date: 1-4-73